

ISSUE DATE: April 13, 2000

DOCKET NO. P-415,421/CP-97-1448

ORDER CERTIFYING POLLING RESULTS AND DIRECTING IMPLEMENTATION

BEFORE THE MINNESOTA PUBLIC UTILITIES COMMISSION

Gregory Scott  
Edward A. Garvey  
Joel Jacobs  
Marshall Johnson  
LeRoy Koppendrayner

Chair  
Commissioner  
Commissioner  
Commissioner  
Commissioner

In the Matter of a Petition for Extended Area  
Service from Eden Valley to Richmond,  
Cold Spring, and St. Cloud

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**PROCEDURAL HISTORY**

On September 29, 1997, subscribers in the Eden Valley exchange submitted a petition for Extended Area Service (EAS) to the exchanges of Richmond, Cold Spring, and St. Cloud. US WEST Communications, Inc. serves the Cold Spring and St. Cloud exchanges; Melrose Telephone Company serves the Eden Valley and Richmond exchanges.

On December 3, 1997, Olsen, Thielen & Co., Ltd. filed traffic studies for the petitioned routes on behalf of Melrose Telephone Company.

On January 2, 1998, the Minnesota Department of Public Service (the Department) filed comments stating that the petition was valid and recommending that the Commission order the affected telephone companies to file cost studies and proposed rates.

On March 6, 1998, the Commission issued its ORDER REQUIRING COST STUDIES AND PROPOSED RATES. In its Order, the Commission found that the Eden Valley exchange was contiguous to the Richmond exchange that had EAS to St. Cloud and Cold Spring, creating a local calling area (LCA). The Commission found, therefore, that Eden Valley met the adjacency requirement with respect to the Richmond/St. Cloud/Cold Spring LCA. The Commission further found that enough Eden Valley subscribers called the LCA during a month to meet the traffic criterion.

Between July 6 and July 7, 1998, the affected companies filed cost studies and proposed rates.

On July 14, 1998, Olsen, Thielen & Co., Ltd. filed revised rates for Melrose Telephone Company, taking into account residential seasonal lines, which are billed only nine months out of the year.

On October 5, 1998, the Department filed its comments regarding the cost studies and rate proposals of the companies. In these comments, the Department recommended that the Commission use a 60/40 split in allocating the revenue requirement.

On September 17, 1999, the Commission issued its Order Establishing Rates for Polling.

Polling of telephone subscribers in the Eden Valley exchange took place between January 7 and February 22, 2000.

The matter came before the Commission on March 28, 2000.

## **FINDINGS AND CONCLUSIONS**

### **I. Certification of Polling Results**

The results of the polling show that a majority of voting subscribers in the Eden Valley exchange voted in favor of EAS between Eden Valley and Richmond, Cold Spring, and St. Cloud. The results were as follows:

Voting Exchange	Petitioned Exchange	Res. EAS Rate	Bus. EAS Rate	% Voting	Yes		No	
					#	%	#	%
Eden Valley	Richmond Cold Spring, & St. Cloud	\$4.64	\$4.64	68.9	712	74.0	250	26.0

### **II. Order for Installation**

The third and final criterion for EAS is that the majority of customers responding to a poll in the petitioning exchange favor the proposed EAS. Because a majority of the Eden Valley customers returning their ballots voted in favor of EAS between Eden Valley and Richmond, Cold Spring and St. Cloud, the third and final criterion for this route is met.

Accordingly the Commission will direct Melrose Telephone Company (Melrose) to implement the requested EAS route within 12 months of the date of this Order. To expedite and coordinate the

implementation process, the Commission will order Melrose to coordinate the implementation of EAS with the other telephone companies serving Richmond, Cold Spring and St. Cloud and file a schedule of the planned implementation within 60 days of this Order. The Company will also be required to immediately notify the Commission if there is any change in the implementation schedule and explain the reasons for the change.

### **III. Miscellaneous**

Details regarding required customer notices, recovery of non-recurring costs and tariff filing requirements are set forth in the Ordering paragraphs.

### **ORDER**

1. The petition for EAS between Eden Valley and Richmond, Cold Spring and St. Cloud is approved. Melrose Telephone Company (Melrose) shall implement the service within 12 months following the date of this Order.
2. Melrose shall coordinate implementation of EAS with the telephone companies that serve the petitioned exchanges and file an implementation schedule within 60 days of this Order. If, for some reason, the implementation schedule changes, Melrose shall immediately notify the Commission and explain the reason(s) for the change(s).
3. Melrose shall file the first of two proposed customer notices for approval by the Commission within 10 days of the date of this Order. The notices shall list the results of the polling, the EAS additives and the proposed implementation date. After approval, the Company shall serve the notice in the first possible billing cycle for its Eden Valley exchange.
4. Melrose shall send a final, Commission approved, notice to its Eden Valley customers, either by bill insert or separate mailing. This final notice shall describe the service, instruct customers on dialing, list the additional monthly rates, the date of implementation and any other pertinent information. The Company shall issue this final notice one month before it implements EAS.
5. Melrose shall make any requests for recovery of non-recurring costs at least 120 days before the planned implementation date. The Department shall have 30 days to comment on the proposed charges.

6. Melrose and US WEST Communications, Inc.(USWC) shall file proposed customer notices, for customers in the petitioned exchanges of Richmond, Cold Spring, and St. Cloud, respectively, for approval by Commission staff 90 days before the anticipated implementation dates for these EAS routes. This notification shall describe the service, instruct customers on dialing, list the additional rates to be paid and the date of implementation. The companies shall include their notices in the billing cycles that conclude at least one month, but not more than two months, before EAS is implemented.
7. All affected companies shall file tariff sheets reflecting Commission Orders that establish the rates and terms for EAS between Eden Valley and Richmond, Cold Spring, and St. Cloud at least 30 days before the implementation of EAS.
8. This Order shall become effective immediately.

BY ORDER OF THE COMMISSION

Burl W. Haar  
Executive Secretary

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